

HAINES BOROUGH

RESOLUTION 08-08-131

Adopted

A RESOLUTION OF THE HAINES BOROUGH ASSEMBLY ESTABLISHING INVESTMENT OBJECTIVES FOR THE HAINES PERMANENT FUND, AND ADOPTING INVESTMENT ASSET ALLOCATION GOALS AND PERFORMANCE BENCHMARKS.

WHEREAS, the Haines Borough Charter, Article 9, Section 9 establishes the Haines Permanent Fund; and

WHEREAS, the Assembly is charged with broad powers to safeguard, protect, invest and account for the Haines Permanent Fund; and

WHEREAS, the investment objective for the Haines Permanent Fund is to maintain principal while maximizing total return; and

WHEREAS, setting asset allocation policy is an essential element of the Assembly's work to ensure that the level of investment risk in the Fund is prudent and appropriate for the stated objective; and

WHEREAS, the Assembly has reviewed recent capital market return and risk assumptions; and

WHEREAS, using these assumptions, the asset allocation adopted herein is expected to produce, over time, a median expected investment return of 2.53 percent after inflation; and

WHEREAS, it is important to provide for measuring the investment manager(s) performance against appropriate benchmarks,

NOW, THEREFORE, BE IT RESOLVED by the Haines Borough Assembly that, the Assembly adopts the following assumptions, asset allocation and benchmarks for the Fund which will remain effective until modified by subsequent resolution:

Assumptions

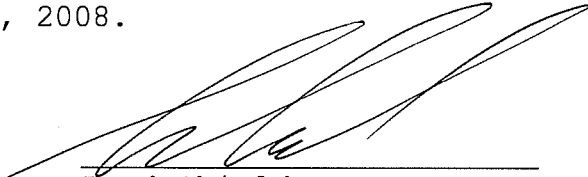
Median Expected total Fund return:	5.53%
Standard Deviation of Returns:	7.45%
Inflation Assumption:	3.00%

Asset Allocation

	<u>Target</u>	<u>Operating Range</u>
Domestic Fixed Income	80%	75-85
Benchmark - Lehman Intermediate Gov/Credit Index		
Domestic Equities (Broad Market)	15%	
Benchmark - Standard & Poor's 500 Index		
International Equities (Developed Mkts)	5%	
Benchmark - Morgan Stanley Capital International ("MSCI") EAFE Index		
Total Equities	20%	15-25

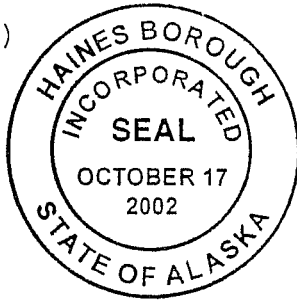
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ADOPTED by a duly constituted quorum of the Haines Borough Assembly this 12th day of August, 2008.



Fred Shields, Mayor

(SEAL)



Attest:



Julie Cozzi, Borough Clerk